



OLD MUTUAL ZIMBABWE LIMITED
ABRIDGED **FINANCIAL STATEMENTS**
31 DECEMBER 2014

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Find out more about Old Mutual

Corporate website
www.oldmutual.co.zw

Corporate Social Responsibility Report
www.oldmutual.co.zw



CHAIRMAN'S STATEMENT



"Responsible business demonstrates our commitment to uplift the lives of those in need whilst providing sustainable long term business solutions..."

Dear Shareholder

It is with pleasure that I present to you the audited financial statements for Old Mutual Zimbabwe Limited for the year ended 31 December 2014, which was marked by stability in the company's performance despite the challenging environment.

Environment

Macro-economic underperformance persisted throughout 2014, driven by weak aggregate demand, tight market liquidity conditions, persistent de-industrialization and a generalized environment uncertainty. Resultantly, the economy grew by 3.1%, down from 4.5% in the previous year. Annual inflation eased from 0.3% to -0.8% in 2014, weighed down by global disinflation pressures from an oil price

collapse and USD appreciation making imports cheaper. Contraction in the formal economy was partly offset by a growing informal sector.

The benchmark ZSE industrial index closed the year 19.5% weaker, weighed down by weak corporate results and shaky investor sentiment. Resultantly, ZSE market capitalization retreated 15.6% to close the year at US\$4.736 billion. Money market interest rates dropped in line with weak inflation and depressed borrower appetite. The average 90 days money market interest quote dipped from 9.35% in December 2013 to 5.27% by December 2014. Property sector performance was weighed down by compromised rental income, in line with the broader macro-economic conditions.

Financial performance

The Group achieved a net profit of US\$11 million for the year compared to \$105 million in 2013, mainly due to the subdued performance on the ZSE that saw the index end the year with a growth of -19.5% compared to 33% in the prior year.

Net Earned Premiums from the insurance businesses grew by 8% to US\$171 million supported by the acquisition of new business. Banking interest grew by 22% to US\$80 million spurred by the increase in loan and advances whose demand remains high. Actual claims paid in the life business grew by 17% while those in the short-term business grew by 23%. The technical provisions held in the policyholder funds were negatively impacted by the poor performance on the ZSE and reduced by US\$49million. Operating and administration expenses increased by 37%, driven mainly by business growth and transformation in the banking business.

Total assets grew by 5% to US\$1.9 billion and a dividend of US\$19 million was paid in 2014, up from US\$9 million in the prior year.

Operations

Life sales on the retail business in Old Mutual Life Assurance Company Zimbabwe Limited grew by 43% from 2014 as the company continues to re-establish itself in a market in which it had stopped operating prior to 2009.

Company closures and downsizing negatively impacted persistency on the retail book and limited growth of the wholesale portfolio. Overall the Life Company maintained its dominant position in the industry.

Our banking division, CABS, achieved the following milestones during 2014:

- Rebranded and refreshed its logo
- Started branch refurbishment to improve ambiance and customer experience
- Was voted the best performing bank in the Zimbabwe Independent Banks and Banking Survey 2014
- The new banking system (T24) was stable, sustainable and enabled CABS to offer additional banking services to service all clients' needs under one roof. The additional services include timely processing of International payments, opening deposit accounts in other currencies as well as trading in forex and the implementation of teller swipe readers for decreased customer queue waiting time.
- Launched 20-year housing mortgage loans
- Commissioned Budiriro Housing Scheme

The general insurance business was rebranded to Old Mutual Insurance Company (Private) Limited from RM Insurance Company (Private) Limited. The

business grew despite negative industry growth and poor economic performance and defended its number one position across all the industry measures.

The investment business performed above business plan on the back of strong sales in both the asset management and unit trust businesses.

Corporate Social Responsibility

A big focus for Old Mutual is fully integrating the principles of Responsible Business into everything we do. The nature of our business – building and protecting the financial future of our customers – means our focus must be responsible, long term and sustainable. Responsible business demonstrates our commitment to uplift the lives of those in need whilst providing sustainable long term business solutions aimed at leaving the world we live in today a better place than it was yesterday. During the period under review, the Group was involved in initiatives to improve the community and the lives of ordinary Zimbabweans as detailed in our CSR Report for 2014.

Outlook

The constrained economic environment is likely to persist in the short to medium term. The group has positioned itself to positively contribute to the economic growth through housing developments and provision of funding to small and medium sized enterprises. The changing demographics in the country bring about new opportunities and the group is looking at enhancing its product offering and distribution channels in order to effectively service the growing informal sector.



J!Gawaxab
Chairman



DIRECTORS' REPORT

Responsibility

The directors are responsible for the preparation and fair presentation of the Group and parent annual financial statements, comprising the statement of financial position at 31 December 2014, and the statement of profit or loss, statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act (Chapter 24:03). In addition, the directors are responsible for preparing the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements

are fairly presented in accordance with the applicable financial reporting framework.

Compliance with legislation

These financial statements which have been prepared under the historical cost convention are in agreement with the underlying books and records and have been properly prepared in accordance with the accounting policies set out in note 2, and comply with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant regulations made there under, the Insurance Act (Chapter 24:07), the Pension and Provident Funds Act (Chapter 24:09), the Building Societies Act (Chapter 24:02), the Asset Management Act (Chapter 24:26), the Collective Investments Schemes Act (Chapter 24:19) and the Securities Act (Chapter 24:25).

Compliance with IFRSs

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs). IFRSs comprise interpretations adopted by the International Accounting Standards Board (IASB), which includes standards adopted by the International Accounting Standards Board (IASB) and interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC).



DIRECTORS' REPORT (Continued)

Capital

The issued share capital is made up of 249 035 156 "A" class shares of US\$0,0000032 each , 83 011 718 "B" class shares of US\$0,0000032 each and 1 redeemable preference share of US\$1.00. The shares are owned by OM Zimbabwe Holdco Limited (75%) as well as Indigenisation Trusts and intended beneficiaries (21.5%) and a strategic partner (3.5%). The 1 redeemable preference share issued is owned by Old Mutual (Zimbabwe) Dividend Access Trust.

During 2012, the Group entered into an Indigenisation transaction under the Indigenisation and Economic Empowerment Act (Chapter 14:33). OMZIL donated US\$60 000 000 to qualifying indigenous groups through trusts to acquire OMZIL shares from the main shareholder Old Mutual Netherlands B.V. The shares were transferred to the various trusts on 1 June 2012.



Dividend

During the year the following dividends were paid out as follows:

I.	Preference dividend declared and paid during the year;	
	May 2014	US\$7 349 060
II.	Preference dividend declared and paid during the year;	
	October 2014	US\$2 904 540
III.	Ordinary dividends declared and paid during the year;	
	May 2014	US\$10 000 000

Directors

Mr.	J	!Gawaxab	(Chairman)
Mr.	J	Mushosho*	(Group Chief Executive Officer)
Mr.	IT	Mashinya*	(Group Finance Director)
Mr.	D	Benecke	
Mr.	TM	Johnson	
Mr.	TC	Madzinga	
Mr.	MA	Masunda	
Mrs.	K	Murray	
Dr.	LL	Tsumba	
Mr.	MR	Weston	

*Denotes Executive Director

Messrs. D. Benecke and T.C. Madzinga, and M. R. Weston retire by rotation, and being eligible, offer themselves for re-election.

GROUP STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2014

Notes	2014	2013
	Group US\$	Group US\$
Revenue		
Gross earned premiums	3	170,734,340
Outward reinsurance		(10,184,683)
Net earned premiums		160,549,657
Investment income (non banking)	4	(101,175,487)
Banking interest and similar income	5	80,499,784
Fee income, commissions and income from service contracts	6	49,849,715
Other income		2,531,897
Total revenue		192,255,565
Expenses		
Claims and benefits (including change in insurance contract provisions)	7	(52,689,153)
Reinsurance recoveries		299,091
Net claims incurred		(52,390,062)
Change in provision for investment contract liabilities		6,987,925
Fees, commissions and other acquisition costs		(7,344,964)
Banking interest payable and similar expenses	5	(37,276,611)
Other operating and administration expenses		(89,936,816)
Total expenses		(179,960,528)
Profit before tax		12,295,037
Income tax expense		(1,316,828)
Profit for the financial year		10,978,209
Attributable to non-controlling interests		711,669
Attributable to owners of parent company		10,266,540
10,978,209		105,622,822

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

Note	2014	2013
	Group US\$	Group US\$
Profit for the financial year	10,978,209	105,622,822
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Property revaluation	587,961	4,690,600
Shadow accounting	(250,328)	(3,507,908)
Regulatory impairment allowance	(1,750,974)	(2,333,956)
Total comprehensive income for the year	9,564,868	104,471,558
Total comprehensive income attributable to:		
Owners of parent company	8,853,199	101,113,053
Non-controlling interests	711,669	3,358,505
	9,564,868	104,471,558
Earnings per share		
Basic and diluted (US\$)	8.1	0.03



GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	2014 Group US\$	2013 Group US\$
Assets			
Investment property	9	439,881,551	465,005,741
Property and equipment		94,215,020	93,437,439
Deferred acquisition costs		799,634	678,235
Reinsurer contracts		1,576,452	5,304,548
Investments and securities	10	721,738,004	787,690,364
Deferred tax assets		930,039	727,822
Current tax assets		55,067	97,587
Loans and advances	11	443,529,711	322,310,630
Other assets		95,467,372	56,472,886
Non current assets held for sale		8,000,000	-
Cash and cash equivalents		113,645,538	89,624,373
Total assets		1,919,838,388	1,821,349,625
Liabilities			
Insurance contract liabilities	12	853,274,125	900,847,065
Investment contract liabilities		82,932,804	94,968,882
Provisions		11,538,014	7,204,745
Deferred tax liabilities		36,856,094	39,404,125
Amounts due to group companies		56,598,410	60,263,090
Amounts owed to bank depositors	13	495,138,616	319,296,093
Deferred revenue		1,144	7,534
Other liabilities		54,844,225	59,254,610
Total liabilities		1,591,183,432	1,481,246,144
Net assets		328,654,957	340,103,481
Shareholders' equity			
Share capital and premium		1,065	1,065
Non-distributable reserve		52,457,048	52,457,048
Share option reserve		46,464,059	46,093,646
Revaluation reserve		25,092,393	24,754,760
Regulatory provisions reserve		2,437,734	5,231,779
Retained earnings		192,670,395	202,152,629
Non-controlling interests		9,532,263	9,412,554
Total equity		328,654,957	340,103,481

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share capital & premium US\$	Non-distributable reserve US\$	Revaluation reserve US\$	Share option reserve US\$	Regulatory provisions reserve US\$	Retained income US\$	Equity total US\$	Non-controlling interests US\$	Equity total US\$
2014									
Shareholders' equity at beginning of year	1,065	52,457,048	24,754,760	46,093,646	5,231,779	202,152,629	330,690,927	9,412,554	340,103,481
Profit for the financial year					10,266,540	10,266,540	711,669	10,978,209	
Other comprehensive income					(250,328)			(250,328)	
Shadow accounting					587,961			587,961	
Revaluation of property						1,750,974	[1,750,974]		
Transfer to reserve									
Total Comprehensive income for the year	-	-	337,633	-	370,413	8,515,566	10,604,173	711,669	11,315,842
Vested shares paid out							370,413		370,413
Impairment loss							(4,545,019)		(4,545,019)
Dividends paid							(17,997,800)		(18,589,760)
Transactions with shareholders							(22,172,406)		(22,764,366)
Shareholders' equity at end of year	1,065	52,457,048	25,092,393	46,464,059	2,437,734	192,670,395	319,122,694	9,532,263	328,654,957
2013									
Shareholders' equity at beginning of year	1,065	52,457,048	23,572,068	46,678,176	2,897,823	110,977,184	236,583,364	6,646,009	243,229,373
Profit for the financial year						102,264,317	102,264,317	3,358,505	105,622,822
Other comprehensive income						(3,507,908)		(3,507,908)	
Shadow accounting						4,690,600		4,690,600	
Revaluation of property							103,447,009		106,805,514
Total Comprehensive income for the year	-	-	1,182,692	-	(584,530)			(584,530)	
Vested shares paid out						2,333,956	[2,333,956]		
Transfer to reserve							(8,754,916)		(8,754,916)
Dividends paid							(9,346,876)		(9,346,876)
Transactions with shareholders							(9,339,446)		(9,931,406)
Shareholders' equity at end of year	1,065	52,457,048	24,754,760	46,093,646	5,231,779	202,152,629	330,690,927	9,412,554	340,103,481

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	Group US\$	Group US\$
Cash flows from operating activities		
Profit before tax	12,295,037	121,667,350
Non-cash movements and adjustments to profit before tax	126,569,323	1,107,598
Changes in working capital	3,154,198	(64,587,438)
Taxation paid	(4,024,557)	(3,874,706)
Net cash from operating activities	137,994,001	54,312,804
Cash flows from investing activities		
Acquisition of financial assets	(87,660,219)	4,261,257
Acquisition of investment properties	(589,700)	(22,179,733)
Acquisition of property and equipment	(8,045,104)	(6,077,184)
Net cash used in investing activities	(96,295,023)	(23,995,660)
Cash flows from financing activities		
Dividends paid	(19,047,064)	(25,146,876)
Net cash used in financing activities	(19,047,064)	(25,146,876)
Net increase in cash and cash equivalents	22,651,914	5,170,268
Net foreign exchange differences on cash and cash equivalents	1,369,250	59,846
Cash and cash equivalents at the beginning of the year	89,624,373	84,394,259
Cash and cash equivalents at the end of the year	113,645,538	89,624,373



NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 General information

Old Mutual Zimbabwe Limited (OMZIL) and its subsidiaries are incorporated in Zimbabwe. These financial statements comprise the Company and its Subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group's main activities include life assurance, short term insurance, property investments, asset management and conducting building society activities which include mortgage lending, deposit acceptance and investing. OMZIL is a 75% owned subsidiary of OM Zimbabwe Holdco Limited which is ultimately a wholly owned subsidiary of Old Mutual plc. Where reference is made to "the group" in the accounting policies, it should be interpreted as referring to the company where the context requires, unless otherwise noted.

2 Basis of preparation

The financial statements provide information about the financial position, results of operations and changes in the financial position of the Group. They are based on the statutory records that are maintained under the historical cost convention with the exception of investments and property and equipment, which are included at valuation; insurance contract provisions and provisions for investment contracts with discretionary participating features which are calculated on a Financial Soundness Valuation Basis. The accounting policies have been consistently applied to all periods presented.

The Group's functional and presentation currency is the United States Dollar (USD). The basis of preparation of these financial statements is the International Financial Reporting Standards.

The Group financial statements have been prepared on the going concern basis which the directors believe to be appropriate.

	Group 2014 US\$	Group 2013 US\$
3 Gross earned premiums		
Gross premiums and investment contract deposits written		
Single	2,704,246	-
Recurring	11,582,376	8,126,980
Individual business	14,286,622	8,126,980
Single	50,348,366	54,422,466
Recurring	75,177,443	68,248,188
Group business	125,525,809	122,670,654
General insurance	30,921,909	28,349,783
Total gross premiums and investment contract deposits	170,734,340	159,147,417
Comprising		
Insurance contracts	34,235,307	26,358,802
Investment contracts with discretionary participating features	105,577,124	104,438,832
General insurance	30,921,909	28,349,783
Total gross earned premiums	170,734,340	159,147,417

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

	Group 2014 US\$	Group 2013 US\$
4 Investment income (non banking)		
Dividend income		
Financial assets at fair value through profit or loss	15,490,884	18,559,447
Interest income		
Cash and cash equivalents	21,489,062	18,054,557
Net rental income		
Investment property	13,434,178	12,099,062
Fair value gains and losses	(151,589,611)	186,524,412
Total investment returns included in income statement	(101,175,487)	235,237,478
5 Banking interest and similar income		
Loans and advances		
Mortgage loans	36,501,944	28,967,585
CPS Loans	31,248,149	25,231,098
Investments and securities		
Short-term funds and securities treated as investments	12,749,691	11,645,050
Total interest and similar income	80,499,784	65,843,733
Interest Expense:		
Fixed deposits	(34,756,443)	(31,012,255)
Term deposits	(294,229)	(376,497)
Savings deposits	(2,225,939)	(1,788,541)
Total interest expense on Investment liabilities	(37,276,611)	(33,177,293)
Net Interest Income	43,223,173	32,666,440
6 Fee income, commissions and income from service contracts		
Banking operations:		
Fees and commission income:		
Commissions	33,096,265	25,009,936
Valuation fees	2,968,321	1,543,922
Service fees	6,001,712	5,127,203
Sundry revenue	23,839,296	15,534,485
	286,936	2,804,326
Long term business	7,583,436	6,664,215
Asset management business	9,170,014	5,755,495
	49,849,715	37,429,646

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

	Group 2014 US\$	Group 2013 US\$
7. Claims and benefits		
Claims and benefits:		
(including change in insurance contract provisions)		
(Decrease) / increase in insurance contracts provision	(48,687,387)	157,710,642
Gross claims expenses (refer to analysis in note 7.1 below)	101,604,338	86,683,193
Shadow accounting to revaluation reserve	(227,798)	(3,192,196)
	52,689,153	241,201,639
7.1 Analysis of claims and benefits expenses		
Individual business	2,117,042	1,505,095
Death and disability benefits	1,310,156	1,134,545
Maturity benefits	517,592	178,541
Surrenders	289,294	192,009
Group business	89,133,604	76,751,957
Death and disability benefits	10,514,411	10,350,135
Pension commutations, maturities and withdrawal benefits	58,723,910	47,151,834
Annuities	12,224,954	10,389,615
Surrenders	7,670,329	8,860,373
General insurance	10,353,692	8,426,142
Total claims and benefits payable and investment contract withdrawals	101,604,338	86,683,194
Claims and benefits comprise of:		
Insurance contracts	9,327,421	9,061,514
Investment contracts with discretionary participating features	81,923,225	69,195,537
General insurance	10,353,692	8,426,143
Total claims and benefits payable and investment contract withdrawals	101,604,338	86,683,194
8 Earnings per share		
The calculation of basic earnings per share at 31 December 2014 was based on the profit attributable to ordinary equity holders of the parent divided by the weighted average number of ordinary shares outstanding during the year.		
Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares adjusted for the effects of all potentially dilutive ordinary shares. The Group had no potentially dilutive ordinary shares. The following reflects the income and share data used in the basic and diluted earnings per share computations:		
	2014 US\$	2013 US\$
8.1 Basic and diluted Earnings	0.03	0.30
Basic and diluted earnings attributable to equity holders of the parent	8,853,199	101,113,053
Number of shares used in calculations (weighted)		
Basic and diluted earnings per share	332,046,874	332,046,874

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

	Group 2014 US\$	Group 2013 US\$
9 Investment property		
Carrying amount at beginning of year	465,005,741	421,404,334
Additions	589,700	22,283,517
Transfer to Non Current Assets held for sale	(8,000,000)	-
Disposals	-	(103,784)
(Loss)/Gain from fair value adjustments	(17,713,890)	21,421,674
Carrying amount at end of year	439,881,551	465,005,741
10 Investments and securities		
Analysis of investments		
Listed equity securities	481,539,231	624,297,944
Unlisted equity securities	35,840,002	24,517,429
Total Equities	517,379,233	648,815,373
Unit trust investments	620,462	3,964,023
Government stock	81,470,045	6,401,000
Deposits and money market securities	122,268,264	128,509,968
	721,738,004	787,690,364
11 Loans and advances		
Concentration - gross		
Low density housing	81,562,240	95,031,466
High density housing	46,186,614	13,388,350
Individuals	271,598,504	107,770,261
Commercial and industrial	52,624,919	112,072,249
Gross loans and advances	451,972,277	328,262,326
Less: Provision for impairment	(8,442,566)	(5,951,696)
Net loans and advances	443,529,711	322,310,630
12 Insurance contract liabilities		
Outstanding claims	3,561,776	3,215,823
Future policy holders' benefits	849,712,349	897,631,242
	853,274,125	900,847,065
13 Amounts owed to bank depositors		
Savings certificates	302,894,758	157,418,341
Term deposits	5,554,330	4,608,270
Savings deposits	186,689,528	157,269,482
	495,138,616	319,296,093



How can Old Mutual impact my community?

LET'S TALK RESPONSIBLE BUSINESS

A big focus for Old Mutual is fully integrating the principles of Responsible Business into everything we do. Responsible Business demonstrates our commitment to uplift the lives of those in need whilst providing sustainable long term business solutions aimed at leaving the world we live in today a better place than it was yesterday. Since the establishment of our business in Zimbabwe over 113 years ago, Old Mutual's operations have been inherently intertwined with the communities in which we operate.

SPORT

At Old Mutual, we believe that Sport is a valuable aspect of community progression that enables society to harness talent and develop characters from a tender age. Old Mutual supports various disciplines and encourages the spirit of fair play and believes in according opportunities for all to succeed. Old Mutual sponsors a number of sports, including the Old Mutual High Density Schools Rugby Development Programme, the Old Mutual Junior Sables (U13, U16 and U18), the Old Mutual RB Marathon Relay Challenge, Old Mutual Vumba Mountain Run and programmes by Tennis Zimbabwe, among others.



SPORTS

EDUCATION

Education is a vital component of any society. At Old Mutual, we strive to improve access to quality education for students countrywide. We believe in the power of knowledge, using technology and human collaboration to build an effective workforce of the future. Old Mutual sponsors the popular Zimbabwe Schools Quiz Tournament and has invested in technology libraries in Highfield – Harare, Mzilikazi – Bulawayo, Sakubva – Mutare and recently completed its first rural technology centre and library in Chisumbanje.



EDUCATION

ARTS & CULTURE

The cultural value of art and culture in grooming a society cannot be ignored as all development begins when a people is conscious of who they are. At Old Mutual, we support art and culture and believe in its enduring impact to society. Our involvement in the arts and culture include the Harare International Festival of the Arts, National Arts Merit Awards and we also sponsored the refurbishment of an old theatre at Alliance Françoise into a multifunctional theatre where artists can perform free of charge. The theatre is now known as Old Mutual Theatre Alliance Françoise.



HEALTH & ENVIRONMENT

As a leading brand in Zimbabwe, Old Mutual takes great care to respect the environment, protect human health through various green activities. Old Mutual has a borehole and solar installation project targeted at marginalized areas. This project covers district hospitals in Matabeleland North and South, as well as seven rural clinics in provinces across the country. We also sponsored a tree nursery project at Zimunya High School, just out of Mutare, with another scheduled for Thekwane High School in Matabeleland South, later in the year.



NOTICE TO MEMBERS

Notice is hereby given that the 17th Annual General Meeting of members of Old Mutual Zimbabwe Limited (the 'Company') will be held at **Meikles Hotel, Stewart Room, Corner Jason Moyo and Third Street, Harare, Zimbabwe on Friday, 24th April, 2015 at 1430 hours** for the purposes of transacting the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company and the respective reports of the Directors and of the Auditors for the financial year ended 31st December, 2014.
2. To approve the amounts appropriated by the Directors of the Company to meet the payment of dividends to members.
3. To approve the fees paid to Directors.
4. To elect Directors;
 - i. To note that in terms of Article 106 of the Articles of Association, one third of the Directors shall retire from office and be eligible for re-election. Messrs Daryl Benecke, Tavaziva Chadamoyo Madzinga and Mark Ross Weston retire by rotation, and being eligible, offer themselves for re-election.
 - ii. To confirm the appointment of Messrs Mordecai Pilate Mahlangu and Kennedy Mandevhani as Directors of the Company.
 - iii. To note the retirement of Mr Muchadeyi Ashton Masunda from the Board of Directors of Old Mutual Zimbabwe Limited.
5. To fix the remuneration for the past year's audit and to elect Auditors for the ensuing year.
6. To transact all such other business as may be transacted at the Annual General Meeting.

AS SPECIAL BUSINESS

SHARE BUY BACK

Shareholders will be asked to consider and if deemed fit, to resolve with or without amendments, that the Company authorises, in terms of Section 79 of the Companies Act (Chapter 24:03) the purchase by the Company, or its duly appointed subsidiary, of its own shares on such terms and conditions and in such amounts as the Directors of the Company may from time to time determine and such authority shall specify that:

1. the authority shall expire on the date of the next Annual General Meeting of the Company;
2. acquisition shall be of B Class shares, which in aggregate in any one financial year, shall not exceed 5% (five per centum) of the Company's issued and fully paid up capital;
3. the maximum and minimum prices, respectively, at which the shares may be acquired will not be more than 10% (ten per centum) above and 10% (ten per centum) below the weighted average of the Over the Counter price at which such B Class shares were traded, as determined over the thirty (30) business days immediately preceding the date of purchase of such ordinary shares by the Company;
4. a press statement will be issued as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between Annual General Meetings, 5% (five per centum) of the number of fully paid up and issued B Class shares.

NOTICE TO **MEMBERS** (Continued)

It will be recorded that, in terms of the Companies Act, it is the intention of the Directors of the Company to utilise the authority granted provided that the cash resources of the Company are in excess of its requirements and the transaction is considered to be in the best interests of shareholders generally. In considering cash resources availability, the Directors will take account of the long term cash needs of the Company and that the Company will remain solvent after the re-purchase.

IMPORTANT NOTICE

In terms of section 129 of the Companies Act [Chapter 24:03] and Regulation 78 of the Articles of Association of the Company, a member entitled to attend and vote at a meeting is entitled to appoint a proxy to speak and, on a poll, vote in his stead.

A proxy need not be a member of the Company.

Regulation 80 of the Articles of Association of the Company requires that Forms of Proxy reach the Company's registered office not less than 48 (forty eight) hours before the date set for the Meeting. Regulation 81 of the Articles of Association of the Company provides that an instrument appointing a proxy shall be executed in any usual or common form.

The Statutory Financial Statements of the Company, incorporating the report of the Directors, including disclosures of details of resolutions passed at extraordinary general meetings of the Company's subsidiary entities or companies since the last general meeting of the Company, and the report of the Auditors, as well as the Proxy Form shall be sent to registered members of the Company no later than 10th April, 2015.

By Order of the Board

Herbert Mavedzenge
ACTING GROUP COMPANY SECRETARY

Registered Office
Mutual Gardens
100 The Chase (West)
Emerald Hill
Harare
Zimbabwe

Thursday, 2 April 2015

PROXY FORM

We _____

of _____

being a member of the above Company and entitled to vote,

hereby appoint _____

of _____

or failing him _____

of _____

or failing him the Chairman of the Meeting,

as our Proxy to vote for us, on our behalf, at the ANNUAL GENERAL MEETING of the Company to be held on, **Friday,**

24th April, 2015 at 1430 hours and at any adjournment thereof :-

Signed this _____ day of _____ 2015.

Signature of Member _____

NOTES

1. Unless otherwise instructed, the proxy will vote as he thinks fit.
2. This proxy form must be signed, dated and returned so as to reach the Company no later than forty-eight hours before the Meeting.

Your attention is drawn to Section 129(3) of the Companies Act (Chapter 24:03), which reads as follows:-

"A member entitled to attend and vote is entitled to appoint one or more proxies to act in the alternative and vote and speak instead of him, and that a proxy need not also be a member".

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www.oldmutual.co.zw